

E-FILED ON SEPTEMBER 20, 2007

1 Annette W. Jarvis, Utah Bar No. 1649
 2 RAY QUINNEY & NEBEKER P.C.
 3 36 South State Street, Suite 1400
 4 P.O. Box 45385
 5 Salt Lake City, Utah 84145-0385
 6 Telephone: (801) 532-1500
 7 Facsimile: (801) 532-7543
 8 Email: ajarvis@rqn.com
 9 and
 10 Lenard E. Schwartzer
 11 Nevada Bar No. 0399
 12 Jeanette E. McPherson
 13 Nevada Bar No. 5423
 14 Schwartzer & McPherson Law Firm
 15 2850 South Jones Boulevard, Suite 1
 16 Las Vegas, Nevada 89146-5308
 17 Telephone: (702) 228-7590
 18 Facsimile: (702) 892-0122
 19 E-Mail: bkfilings@s-mlaw.com
 20 Attorneys for Debtors and Debtors-in-Possession

13
UNITED STATES BANKRUPTCY COURT
 14 **DISTRICT OF NEVADA**

15 In re:
 16 USA COMMERCIAL MORTGAGE COMPANY,
 17 Debtor.

Case No. BK-S-06-10725 LBR
 Case No. BK-S-06-10726 LBR
 Case No. BK-S-06-10727 LBR
 Case No. BK-S-06-10728 LBR
 Case No. BK-S-06-10729 LBR

18 In re:
 19 USA CAPITAL REALTY ADVISORS, LLC,
 20 Debtor.

Chapter 11

21 In re:
 22 USA CAPITAL DIVERSIFIED TRUST DEED
 23 FUND, LLC,
 24 Debtor.

Jointly Administered Under
Case No. BK-S-06-10725 LBR

25 In re:
 26 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 27 Debtor.

MONTHLY OPERATING REPORT
FOR AUGUST 2007
(AFFECTS USA CAPITAL FIRST
TRUST DEED FUND, LLC)

28 In re:
 29 USA SECURITIES, LLC,
 30 Debtor.

Affects:

- All Debtors
- USA Commercial Mortgage Company
- USA Capital Realty Advisors, LLC
- USA Capital Diversified Trust Deed Fund, LLC
- USA Capital First Trust Deed Fund, LLC
- USA Securities, LLC

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re: USA First Trust Deed Fund, LLC

Case No. 06-10728-LBR

**CHAPTER 11
MONTHLY OPERATING REPORT
(GENERAL BUSINESS CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 08/31/07**PETITION DATE:** 04/13/06

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).
 Dollars reported in \$1

2. Asset and Liability Structure

- a. Current Assets
- b. Total Assets
- c. Current Liabilities
- d. Total Liabilities

	<u>End of Current Month</u>	<u>End of Prior Month</u>	<u>As of April 13, 2006</u>
a.	\$3,142,945	\$3,745,423	
b.	\$3,142,945	\$3,745,423	\$67,012,890
c.	\$593,852	\$600,891	
d.	\$593,852	\$600,891	\$225,782

3. Statement of Cash Receipts & Disbursements for Month

- a. Total Receipts
- b. Total Disbursements
- c. Excess (Deficiency) of Receipts Over Disbursements (a - b)
- d. Cash Balance Beginning of Month
- e. Cash Balance End of Month (c + d)

	<u>Current Month</u>	<u>Prior Month</u>	<u>Cumulative (Case to Date)</u>
a.	\$9,563	\$12,881	\$58,997,959
b.	\$612,041	\$4,078,863	\$55,855,014
c.	(\$602,478)	(\$4,065,982)	\$3,142,945
d.	\$3,745,423	\$7,811,405	\$0
e.	\$3,142,945	\$3,745,423	\$3,142,945

4. Profit/(Loss) from the Statement of Operations**5. Account Receivables (Pre and Post Petition)****6. Post-Petition Liabilities****7. Past Due Post-Petition Account Payables (over 30 days)**

	<u>Current Month</u>	<u>Prior Month</u>	<u>Cumulative (Case to Date)</u>
	(\$595,439)	(\$358,031)	(\$14,870,327)
	\$0	\$0	
	\$593,852	\$600,891	
	\$0	\$88,996	

At the end of this reporting month:

- 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee)
- 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee)
- 10. If the answer is yes to 8 or 9, were all such payments approved by the court?
- 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee)
- 12. Is the estate insured for replacement cost of assets and for general liability?
- 13. Are a plan and disclosure statement on file?
- 14. Was there any post-petition borrowing during this reporting period?
- 15. Check if paid: Post-petition taxes N/A; U.S. Trustee Quarterly Fees X; Check if filing is current for: Post-petition tax reporting and tax returns: N/A.
 (Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.



Responsible Individual

Date: 9/20/2007 0:00

STATEMENT OF OPERATIONS

(General Business Case)

For the Month Ended 08/31/07

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

BALANCE SHEET
(General Business Case)
For the Month Ended 08/31/07

Assets

		<u>From Schedules</u>	<u>Market Value¹</u>
Current Assets			
1	Cash and cash equivalents - unrestricted		\$3,142,945
2	Cash and cash equivalents - restricted		
3	Accounts receivable (net)	A	\$0
4	Inventory	B	\$0
5	Prepaid expenses		
6	Professional retainers		
7	Other:		
8			
9	Total Current Assets		\$3,142,945
Property and Equipment (Market Value)			
10	Real property	C	\$0
11	Machinery and equipment	D	\$0
12	Furniture and fixtures	D	\$0
13	Office equipment	D	\$0
14	Leasehold improvements	D	\$0
15	Vehicles	D	\$0
16	Other:	D	\$0
17		D	
18		D	
19		D	
20		D	
21	Total Property and Equipment		\$0
Other Assets			
22	Loans to shareholders		
23	Loans to affiliates		
24			
25			
26			
27			
28	Total Other Assets		\$0
29	Total Assets		\$3,142,945

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

1 - The method used to estimate the market value of assets was net book value at the end of the current reporting period as market value has not been determined.

Liabilities and Equity
(General Business Case)

Liabilities From Schedules**Post-Petition****Current Liabilities**

30	Salaries and wages	
31	Payroll taxes	
32	Real and personal property taxes	
33	Income taxes	
34	Sales taxes	
35	Notes payable (short term)	
36	Accounts payable (trade)	A
37	Real property lease arrearage	
38	Personal property lease arrearage	
39	Accrued professional fees	
40	Current portion of long-term post-petition debt (due within 12 months)	
41	Other:	
42		
43		
44	Total Current Liabilities	\$593,852

Long-Term Post-Petition Debt, Net of Current Portion

45	Total Post-Petition Liabilities	\$593,852
----	--	-----------

Pre-Petition Liabilities (allowed amount)¹

47	Secured claims ¹	F	\$0
48	Priority unsecured claims ¹	F	\$0
49	General unsecured claims ¹	F	\$0
50	Total Pre-Petition Liabilities		\$0
51	Total Liabilities		\$593,852

Equity (Deficit)

52	Retained Earnings/(Deficit) at time of filing		\$11,396,460
53	Capital Stock		
54	Additional paid-in capital		
55	Cumulative profit/(loss) since filing of case		(\$14,870,327)
56	Post-petition contributions/-(distributions) or (draws)		(\$48,981,273)
57	General and Limited Partners equity		\$55,004,233
58	Market value adjustment		
59	Total Equity (Deficit)		\$2,549,093
60	Total Liabilities and Equity (Deficit)		\$3,142,945

NOTE:

1 - Allowed Amounts have not yet been determined and are contingent upon approval from the Bankruptcy Court. The pre-petition liabilities' amounts above reflect the claimed amounts filed on Schedules.

SCHEDULES TO THE BALANCE SHEET

(General Business Case)

Schedule A

Accounts Receivable and (Net) Payable

Receivables and Payables Agings	Accounts Receivable [Pre and Post Petition]	Accounts Payable [Post Petition]	Past Due Post Petition Debt
0 -30 Days		\$433,852	
31-60 Days		\$0	
61-90 Days		\$0	
91+ Days		\$0	
Total accounts receivable/payable	\$0	\$433,852	
Allowance for doubtful accounts			
Accounts receivable (net)		\$0	

Schedule B

Inventory/Cost of Goods Sold

<u>Types and Amount of Inventory(ies)</u>	<u>Inventory(ies)</u> <u>Balance at</u> <u>End of Month</u>	<u>Cost of Goods Sold</u>
Retail/Restaurants - Product for resale	_____	Inventory Beginning of Month Add - Net purchase _____ Direct labor _____ Manufacturing overhead _____ Freight in _____ Other: _____ _____
Distribution - Products for resale	_____	Less - Inventory End of Month _____ Shrinkage _____ Personal Use _____
Manufacturer - Raw Materials Work-in-progress Finished goods	_____ _____ _____	Cost of Goods Sold _____ \$0
Other - Explain	_____	
TOTAL	\$0	

Method of Inventory Control

Do you have a functioning perpetual inventory system?

Yes _____ No _____

How often do you take a complete physical inventory?

Weekly

Monthly

Quarterly

Semi-annually

Annually

Date of last physical inventory was _____

Date of next physical inventory is

Inventory Valuation Methods

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost

LIFO cost

Lower of cost or market

Retail method

Other

Explain

Schedule C
Real Property

Description	<u>Cost</u>	<u>Market Value</u>
Total	\$0	\$0

Schedule D
Other Depreciable Assets

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
Total	\$0	\$0
Furniture & Fixtures -		
Total	\$0	\$0
Office Equipment -		
Total	\$0	\$0
Leasehold Improvements -		
Total	\$0	\$0
Vehicles -		
Total	\$0	\$0

Schedule E
Aging of Post-Petition Taxes
(As of End of the Current Reporting Period)

Taxes Payable	<u>0-30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91+ Days</u>	<u>Total</u>
Federal					
Income Tax Withholding					\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
Total Federal Taxes	\$0	\$0	\$0	\$0	\$0
State and Local					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property					\$0
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
Total State & Local Taxes	\$0	\$0	\$0	\$0	\$0
Total Taxes	\$0	\$0	\$0	\$0	\$0

Schedule F
Pre-Petition Liabilities

List Total Claims For Each Classification -	<u>Claimed¹ Amount</u>	<u>Allowed² Amount (b)</u>
Secured claims (a)		
Priority claims other than taxes		
Priority tax claims		
General unsecured claims		

- (a) List total amount of claims even if under secured.
- (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

Schedule G
Rental Income Information
Not applicable to General Business Cases

Schedule H
Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>	<u>Account 4</u>
Bank	Bank of America	Bank of America		
Account Type	Analyzed Checking	Money Market		
Account No.	3755532435	3755547488		
Account Purpose	General	Money Market		
Balance, End of Month	\$15,514	\$3,127,431		
Total Funds on Hand for all Accounts	\$3,142,945			

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

NOTES:

- 1 - Claimed Amounts reflects amounts filed on schedules and is subject to change as proof of claims are filed and further pre-petition invoices are identified.

2 - Allowed Amounts have not yet been determined and are contingent upon approval from the Bankruptcy Court.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**Increase/(Decrease) in Cash and Cash Equivalents****For the Month Ended 08/31/07**

		<u>Actual</u> <u>Current Month</u>	<u>Cumulative</u> <u>(Case to Date)</u>
Cash Receipts			
1 Rent/Leases Collected			
2 Cash Received from Sales		\$0	\$58,610,247
3 Interest Received		\$9,563	\$387,712
4 Borrowings			
5 Funds from Shareholders, Partners, or Other Insiders			
6 Capital Contributions			
7			
8			
9			
10			
11			
12 Total Cash Receipts		<u>\$9,563</u>	<u>\$58,997,959</u>
Cash Disbursements			
13 Payments for Inventory			
14 Selling			
15 Administrative		\$132,614	\$216,123
16 Capital Expenditures			
17 Principal Payments on Debt			
18 Interest Paid			
Rent/Lease:			
19 Personal Property			
20 Real Property			
Amount Paid to Owner(s)/Officer(s)			
21 Salaries			
22 Draws			
23 Commissions/Royalties			
24 Expense Reimbursements			
25 Other			
26 Salaries/Commissions (less employee withholding)			
27 Management Fees			\$0
Taxes:			
28 Employee Withholding			
29 Employer Payroll Taxes			
30 Real Property Taxes			
31 Other Taxes			
32 Other Cash Outflows:			
33 Distributions to Shareholders			\$48,981,273
34 U.S. Trustee Quarterly Fees		\$10,000	\$30,750
35 Professional Fees Paid in Connection with Chapter 11 Case		\$469,427	\$5,626,868
36 Payment to USA Capital Diversified Trust Deed Fund			\$1,000,000
37			
38 Total Cash Disbursements:		<u>\$612,041</u>	<u>\$55,855,014</u>
39 Net Increase (Decrease) in Cash		(\$602,478)	\$3,142,945
40 Cash Balance, Beginning of Period		\$3,745,423	\$0
41 Cash Balance, End of Period		<u>\$3,142,945</u>	<u>\$3,142,945</u>

STATEMENT OF CASH FLOWS

(Optional) Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 08/31/07

		<u>Actual Current Month</u>	<u>Cumulative (Case to Date)</u>
	Cash Flows From Operating Activities		
1	Cash Received from Sales		\$58,610,247
2	Rent/Leases Collected		
3	Interest Received	\$9,563	\$387,712
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		
6	Cash Paid for Administrative Expenses	\$132,614	\$216,123
	Cash Paid for Rents/Leases:		
7	Personal Property		
8	Real Property		
9	Cash Paid for Interest		
10	Cash Paid for Net Payroll and Benefits		
	Cash Paid to Owner(s)/Officer(s):		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16	Employer Payroll Tax		
17	Employee Withholdings		
18	Real Property Taxes		
19	Other Taxes		
20	Cash Paid for General Expenses		
21	Distributions to Shareholders		\$48,981,273
22	Management Fees		\$0
23	Payment to USA Capital Diversified Trust Deed Fund	\$0	\$1,000,000
24			
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	(\$123,051)	\$8,800,563
	Cash Flows From Reorganization Items		
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case	\$469,427	\$5,626,868
30	U.S. Trustee Quarterly Fees	\$10,000	\$30,750
31			
32	Net Cash Provided (Used) by Reorganization Items	(\$479,427)	(\$5,657,618)
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	(\$602,478)	\$3,142,945
	Cash Flows From Investing Activities		
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
	Cash Flows From Financing Activities		
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		
40	Capital Contributions		
41	Principal Payments		
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	\$0
44	Net Increase (Decrease) in Cash and Cash Equivalents	(\$602,478)	\$3,142,945
45	Cash and Cash Equivalents at Beginning of Month	\$3,745,423	\$0
46	Cash and Cash Equivalents at End of Month	\$3,142,945	\$3,142,945

USA First Trust Deed Fund, LLC
Question 9 - Payments to Professionals
August 1, 2007 - August 31, 2007

	Total Paid During Month
Mesirow Financial Interim Management, LLC	\$ 128,284.03
Ray, Quinney & Nebeker, PC	194,421.52
Schwartz & McPherson Law Firm	27,214.03
Shea & Carlyon LTD	119,507.13
Total Fees & Expenses	<u>\$ 469,426.71</u>